



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

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Second District

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Third District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

January 20, 2012

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", written over a horizontal line.

## **SACRAMENTO UPDATE**

This memorandum contains a report on the Senate Budget and Fiscal Committee hearing on the Governor's Proposed Budget; an update on the court ruling regarding implementation of the In-Home Supportive Services trigger reduction; and a status on County-sponsored legislation related to the initial and forensic medical examinations for children placed in out-of-home care.

### **State Budget**

On January 19, 2012, the Senate Budget and Fiscal Committee conducted an informational hearing on the Governor's FY 2012-13 Proposed Budget. Staff from the Department of Finance and the Legislative Analyst, Mac Taylor, provided the committee with overviews of the Governor's Budget plan.

Democratic committee members expressed concerns with the Governor's proposal to enact \$4.2 billion in reductions to schools and health and human services programs. Republican members challenged the Governor's proposal to seek voter approval of a temporary increase in the State Sales and User Tax and personal income tax rates for persons earning over \$250,000 on the November 2012 ballot. In addition, various committee members questioned the Administration's assumption that the tax increases, if approved by voters, would generate an additional \$6.9 billion in revenue for the State.

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The committee took no action on the Governor's Budget, and has scheduled informational hearings on the following budget items:

February 16, 2012	Education Reforms
February 23, 2012	In-Home Supportive Services, Long-Term Care, and Medi-Cal Managed Care Proposals
March 1, 2012	CalWORKs and Child Care Redesign

### **In-Home Supportive Services Trigger Cuts Temporary Restraining Order**

On January 19, 2012, Federal District Court Judge Claudia Wilken issued a preliminary injunction which continues to block the State from implementing the 20.0 percent triggered reduction in FY 2011-12 for In-Home Supportive Services (IHSS) hours. In December 2011, Judge Wilken issued a temporary restraining order which required the State to halt all actions to implement the IHSS reductions.

As previously reported, on December 13, 2011, the Director of the Department of Finance determined that State General Fund revenue would be \$2.2 billion below the \$4.0 billion projected in the FY 2011-12 State Budget Act. As a result, the State enacted \$980.0 million triggered reductions effective January 1, 2012 with the exception of the 20.0 percent reduction in IHSS service hours. The Judge's action will maintain IHSS service hours at the current level for 184,000 individuals in the County who currently receive IHSS benefits. The Administration has indicated that it plans to challenge the decision with the U. S. Ninth Circuit Court of Appeals.

### **Status of County-Sponsored Legislation**

**County-sponsored AB 652 (Mitchell)**, which as amended May 10, 2011, would require that the costs of initial health assessments and forensic medical evaluations performed on children who are placed in out-of-home care because of suspected abuse or neglect to be covered benefits under the Medi-Cal Program, the Healthy Families Program or a licensed health care insurance plan, was held in Assembly Appropriations Committee on January 19, 2012, due to potential costs to the State's General Fund.

This office, the Sacramento advocates, and the Department of Health Services worked closely with the author and the committee consultant on amendments to the bill to mitigate potential costs to the State; however, due to the ongoing State Budget deficit and pending legislation to establish Essential Health Benefits to implement Federal Health Care Reform by January 2014, the Legislature is holding action on some bills related to new mandates on health plans.

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AB 652 was introduced in the Assembly in 2011 and under legislative rules must move to the Senate before January 31, 2012; therefore, this measure is not eligible for possible enactment in the current legislative session.

We will continue to keep you advised.

WTF:RA  
MR:VE:sb

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants